

**State of California
Office of Administrative Law**

In re:
Franchise Tax Board

Regulatory Action:

Title 18, California Code of Regulations

Adopt sections: 23663-1, 23663-2, 23663-3,
23663-4, 23663-5

Amend sections:

Repeal sections:

**NOTICE OF APPROVAL OF REGULATORY
ACTION**

Government Code Section 11349.3

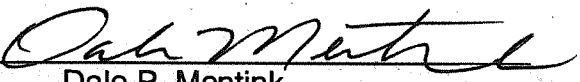
OAL Matter Number: 2018-0808-01

OAL Matter Type: Regular (S)

This action establishes a process for addressing defective elections to assign tax credits between affiliated corporations. The adopted regulations establish how credits are allocated when a defective election has occurred and provide flexibility in determining how credits are allocated when there is agreement between the parties involved in a defective election. The regulations also give tax payers one year to correct certain errors in defective elections.

OAL approves this regulatory action pursuant to section 11349.3 of the Government Code. This regulatory action becomes effective on 9/18/2018.

Date: September 18, 2018


Dale P. Mentink
Senior Attorney

For: Debra M. Cornez
Director

Original: Selvi Stanislaus, Executive
Officer

Copy: Christy Keith

NOTICE PUBLICATION/REGULATIONS SUBMISSION

(See instructions on reverse)

For use by Secretary of State only

STD. 400 (REV. 01-2013)

OAL FILE NUMBERS	NOTICE FILE NUMBER Z-2017-1114-02	REGULATORY ACTION NUMBER 2018-0808-01S	EMERGENCY NUMBER
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For use by Office of Administrative Law (OAL) only

2018 AUG -8 A 10:44
OFFICE OF
ADMINISTRATIVE LAW

ENDORSED - FILED
in the office of the Secretary of State
of the State of California

SEP 18 2018

1:40 PM

NOTICE

REGULATIONS

AGENCY WITH RULEMAKING AUTHORITY
Franchise Tax Board

AGENCY FILE NUMBER (if any)

A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE		TITLE(S)	FIRST SECTION AFFECTED	2. REQUESTED PUBLICATION DATE
3. NOTICE TYPE <input type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other		4. AGENCY CONTACT PERSON	TELEPHONE NUMBER	FAX NUMBER (Optional)
OAL USE ONLY	ACTION ON PROPOSED NOTICE <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn		NOTICE REGISTER NUMBER 2017, 47-Z	PUBLICATION DATE 11/24/2017

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S) Assignment of Credits to Combined Group Members	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)
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2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)

SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)	ADOPT 23663-1, 23663-2, 23663-3, 23663-4, 23663-5
	AMEND
	REPEAL
TITLE(S) 18	

3. TYPE OF FILING

<input checked="" type="checkbox"/> Regular Rulemaking (Gov. Code §11346)	<input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute.	<input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h))	<input type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100)
<input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4)	<input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)	<input type="checkbox"/> File & Print	<input type="checkbox"/> Print Only
<input type="checkbox"/> Emergency (Gov. Code, §11346.1(b))	<input type="checkbox"/> Other (Specify) _____		

4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)

5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)

<input type="checkbox"/> Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a))	<input checked="" type="checkbox"/> Effective on filing with Secretary of State	<input type="checkbox"/> §100 Changes Without Regulatory Effect	<input type="checkbox"/> Effective other (Specify) _____
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6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY

<input checked="" type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660)	<input type="checkbox"/> Fair Political Practices Commission	<input type="checkbox"/> State Fire Marshal
<input type="checkbox"/> Other (Specify) _____		

7. CONTACT PERSON Christy Keith	TELEPHONE NUMBER (916) 845-6080	FAX NUMBER (Optional)	E-MAIL ADDRESS (Optional) Christy.Keith@ftb.ca.gov
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8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE Christy Keith	DATE 8/7/18
TYPED NAME AND TITLE OF SIGNATORY Christy Keith, Regulations Coordinator	

For use by Office of Administrative Law (OAL) only

ENDORSED APPROVED

SEP 18 2018

Office of Administrative Law